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INFO RUCNCOM/EC CARICOM COLLECTIVE
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C O N F I D E N T I A L BRIDGETOWN 001941

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DEPARTMENT FOR WHA/CAR AND WHA/AND
SOUTHCOM ALSO FOR POLAD

E.O. 12958: DECL: 10/30/2016
TAGS: [ENRG](#) [EPET](#) [EINV](#) [PREL](#) [PGOV](#) [XL](#) [VE](#)
SUBJECT: PETROCARIBE 28: SANTA IS FROM CARACAS

REF: A. BRIDGETOWN 1904

[1](#)B. BRIDGETOWN 1095

[1](#)C. BRIDGETOWN 877

Classified By: CDA Mary Ellen T. Gilroy for reasons 1.4(b) and (d).

SUMMARY

[1](#)1. (C) Christmas came early for Barbados this year. From October 23-27, a high-level Venezuelan delegation dashed into Bridgetown to publicly rejuvenate Venezuela's relationship with Barbados, bearing gifts and agreements on tourism, satellites and cement, among others. The timing of this friendship-building exercise during the deadlocked vote on the GRULAC UNSC seat is probably no coincidence. As the Bolivarian Republic of Venezuela (BRV) showers the region with new gifts, however, the unfortunate result is shorter memories of meaningful partnerships with the United States. End Summary.

RODOLFO, WON'T YOU GUIDE MY SLEIGH TONIGHT?

[1](#)2. (C) The BRV's Vice Minister for Latin America and the Caribbean, Rodolfo Sanz, came to Bridgetown to sign the "Basic Friendship and Co-operation Agreement" with Barbados' Permanent Secretary of the Ministry of Foreign Affairs and Foreign Trade, Samuel Chandler. The signing was a part of the "Third Meeting of the Barbados/Venezuela Political Mechanism for Consultation on Matters of Common Interest." In an obvious attempt to guide and reaffirm the BRV's relationship with Barbados, Sanz called for increased linkages in light of expanded trade in goods and services and presented Barbados with proposals that will make these linkages possible. The proposals included direct flights from Barbados to Venezuela, (via LIAT or any other interested Caribbean airlines), elimination of tourist visas for passport holders, and an invitation to Caracas for discussions on narcotics trafficking. For at least one of these proposals, the elimination of tourist visas, Chandler promised follow-up, recognizing it as a "critical step to the flow of tourism."

"FRIENDS OF ALL, AND SATELLITES OF NONE:" WELL, MAYBE JUST TWO

[1](#)3. (C) Generations of Barbados politicians have used the

phrase "Friends of All, and Satellites of None," to assert their independence from foreign influences. Ironically, Barbados welcomed Vice Minister Sanz's announcement that his government plans to launch two satellites into orbit to "significantly enhance telecommunications in the Caribbean and improve how weather systems are monitored in the region." No details were reported on how this particular "gift" to the Caribbean would specifically improve the region's telecommunications, but it could potentially extend Venezuela's influence into another sector of the region's economy.

BUNKER RESIDUAL NO. 6: IT'S WHAT I ALWAYS WANTED!

¶4. (C) Vice Minister Sanz also announced last week that the BRV will absorb US\$3.4 million in fuel costs to avert a threatened shutdown of the Barbados Arawak Cement Plant. The BRV committed to supply the plant with bunker residual No. 6 fuel, which sells for just over US\$40 per barrel. Whereas the media defined this offer as "Venezuela to the Rescue", the reality is that the BRV also created the problem. The BRV's Vice Minister conveniently failed to mention that his country abruptly eliminated Orimulsion fuel shipments to Arawak in June of this year with a year left in the contract, and instead, rerouted these shipments to China (Ref B). (Note: Orimulsion fuel sells at half the price of bunker residual No. 6. End Note.) Sanz also declared his country's support for funding a US\$7 million loan through the Social Development Bank of Venezuela for Arawak plant conversions. Again this conversion was necessitated by the BRV's cutting off the supply of Orimulsion. The BRV's fabricated rescue of the Arawak plant was publicized in the local media as a generous display of assistance to Barbados for their Cricket World Cup preparations, specifically its infrastructure projects that are dependent on the supplies of Arawak cement.

COMMENT

¶5. (C) Post has welcomed Barbados' cautious and independent approach to PetroCaribe. However, this should be interpreted not as the result of any support or sympathy for U.S. positions, but rather pure self interest. As was the case last week, the perceived generosity of the BRV will continue to tempt Barbados toward a "what have you done for me lately" outlook on its relations with other countries. While Barbados' Prime Minister Owen Arthur claims that Barbados' relations with Venezuela are "heavily nuanced" (Ref C), it is clear that in most cases there will always be room under their tree for gifts from Venezuela. End Comment.
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